MATZIKAMA
MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2009

MATZIKAMA MUNICIPALITY

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MATZIKAMA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

NATURE OF BUSINESS

Matzikama Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality WC011 (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Matzikama Municipality includes the towns of Vredendal, Vanrhynsdorp, Klawer, Lutzville, Ebenhaezer, Strandfontein and Doringbaai.

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	P Bok
Deputy Executive Mayor	RHF Jonck
Executive Councillor	JM Kriel
Speaker	DD Jenner

MUNICIPAL MANAGER

DGI O'Neill

CHIEF FINANCIAL OFFICER

LJ Bruwer

REGISTERED OFFICE

P.O. Box 98
VREDENDAL
8160

AUDITORS

Auditor-General
Private Bag X1
CHEMPET
7442

PRINCIPLE BANKERS

ABSA Bank

ATTORNEYS

Swanepoel and Swanepoel Attorneys

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

MATZIKAMA MUNICIPALITY

MEMBERS OF THE MATZIKAMA MUNICIPALITY

WARD	COUNCILLOR
1	MC Witbooi
2	D Goedeman
3	SCS Beukes
4	P Bok (Executive Mayor)
5	M Cornelius
6	D Scholtz
7	DD Jenner (Speaker)
Proportional	JM Kriel (Executive Councillor)
Proportional	RHF Jonck (Deputy Executive Mayor)
Proportional	WD Loff
Proportional	GJ van Wyk
Proportional	L Januarie

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 52 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

DGI O'Neill
MUNICIPAL MANAGER

DATE

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009

	Notes	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net Assets		**139 142 592**	**105 628 713**
Housing Development Fund	**2**	807 385	1 496 732
Capital Replacement Reserve	**3**	6 040 000	-
Capitalisation Reserve	**3**	-	-
Government Grant Reserve	**3**	-	-
Accumulated Surplus/(Deficit)		132 295 207	104 131 981
Non-Current Liabilities		**34 296 605**	**27 455 006**
Long-term Liabilities	**4**	19 068 628	15 812 940
Non-current Employee Benefits	**5**	9 237 768	8 784 837
Non-current Provisions	**6**	5 990 209	2 857 229
Current Liabilities		**26 361 386**	**20 787 401**
Consumer Deposits	**7**	2 253 323	1 875 579
Employee Benefits	**8**	3 383 271	2 908 571
Provisions	**9**	2 905 000	2 187 280
Trade and Other Payables	**10**	10 825 596	5 928 313
Unspent Conditional Government Grants and Receipts	**11**	3 842 297	5 730 514
Operating Lease Liability	**21.1**	77 753	54 139
Current Portion of Long-term Liabilities	**4**	3 074 146	2 103 005
Total Net Assets and Liabilities		**199 800 583**	**153 871 120**
ASSETS			
Non-Current Assets		**161 879 220**	**128 240 907**
Property, Plant and Equipment	**14**	146 174 270	112 426 052
Investment Property	**15**	14 012 910	14 194 910
Intangible Assets	**16**	946 650	773 894
Long-Term Receivables	**17**	745 390	846 051
Current Assets		**37 921 363**	**25 630 213**
Inventory	**18**	2 103 249	2 221 778
Trade Receivables from exchange transactions	**19**	19 341 384	16 388 012
Other Receivables from non-exchange transactions	**20**	1 210 617	555 245
Unpaid Conditional Government Grants and Receipts	**11**	4 016 457	2 994 830
Operating Lease Asset	**21.2**	30 250	30 696
Taxes	**12**	1 461 189	2 242 486
Current Portion of Long-term Receivables	**17**	30 972	54 866
Cash and Cash Equivalents	**22.1**	9 727 245	1 142 300
Total Assets		**199 800 583**	**153 871 120**

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 R	2008 R
REVENUE			
Revenue from Non-exchange Transactions		**98 318 149**	**53 325 746**
Taxation Revenue		**14 718 631**	**12 688 618**
Property taxes	**23**	14 718 631	12 688 618
Transfer Revenue		**76 633 540**	**39 858 755**
Government Grants and Subsidies	**24**	74 104 751	39 858 755
Public Contributions and Donations	**25**	2 528 789	-
Other Revenue		**6 965 978**	**778 373**
Fines		2 552 099	778 373
Other		4 413 879	-
Revenue from Exchange Transactions		**60 609 442**	**56 380 637**
Service Charges	**26**	49 749 683	45 839 147
Rental of Facilities and Equipment	**27**	2 279 586	2 068 689
Interest Earned - external investments	**28**	1 424 212	1 172 381
Interest Earned - outstanding receivables	**29**	1 674 003	1 404 005
Licences and Permits		5 261	6 967
Income for Agency Services		3 263 016	4 268 633
Other Income	**30**	2 213 682	1 620 815
Total Revenue		**158 927 591**	**109 706 383**
EXPENDITURE			
Employee related costs	**31**	(36 003 830)	(32 964 458)
Remuneration of Councillors	**32**	(3 264 953)	(2 965 626)
Debt Impairment	**33**	-	(3 254 001)
Collection Costs		(69 270)	(167 503)
Depreciation and Amortisation	**34**	(10 970 082)	(9 040 367)
Repairs and Maintenance		(15 298 061)	(7 911 703)
Unamortised Discount - Interest		(513 577)	(463 300)
Actuarial Losses	**5**	(88 388)	-
Finance Costs	**35**	(3 267 117)	(1 975 222)
Bulk Purchases	**36**	(23 281 057)	(19 103 236)
Contracted Services		(27 175)	(500 814)
Grants and Subsidies Paid	**37**	(852 216)	(1 326 739)
Other Operating Grant Expenditure		(21 829 574)	(17 138 503)
General Expenses	**38**	(9 341 010)	(8 625 150)
Total Expenditure		**(124 806 310)**	**(105 436 622)**
Operating Surplus for the Year		**34 121 281**	**4 269 761**
Gains/(Loss) on Sale of Assets	**39**	268 003	232 942
(Impairment loss)/Reversal of impairment loss	**40**	(57 933)	
Profit/(Loss) on Fair Value Adjustments	**41**	(128 491)	24 510
NET SURPLUS/(DEFICIT) FOR THE YEAR		**34 202 860**	**4 527 213**

Refer to Appendix E(1) for explanation of variances

MATZIKAMA MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Housing Development Fund	Capital Replacement Reseve	Capitalisation Reserve	Government Grant Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R
Balance at 1 July 2007	**2 990 158**	**1 050 000**	**8 435 524**	**50 863 459**	**35 156 248**	**98 495 389**
Change in Accounting Policy - note 42.8	-	-	(8 435 524)	(50 863 459)	61 950 969	2 651 986
Correction of Error - note 43.6	-	-	-	-	(45 509)	(45 509)
Restated balance	2 990 158	1 050 000	-	-	97 061 708	101 101 866
Net Surplus/(Deficit) for the year	-	-	-	-	4 527 213	4 527 213
Transfer to/from CRR	-	(1 050 000)	-	-	1 050 000	-
Transfer to Housing Development Fund	(1 493 426)	-	-	-	1 493 426	-
Balance at 30 June 2008	**1 496 732**	**-**	**-**	**-**	**104 132 347**	**105 629 079**
Net Surplus/(Deficit) for the year	(689 347)	-	-	-	34 202 860	33 513 513
Contribution to CRR	-	6 040 000	-	-	(6 040 000)	-
Balance at 30 June 2009	**807 385**	**6 040 000**	**-**	**-**	**132 295 207**	**139 142 592**

MATZIKAMA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED30 JUNE 2009

	Notes	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		152 220 631	107 165 228
Cash paid to suppliers and employees		(103 615 896)	(100 268 898)
Cash generated/(absorbed) by operations	**44**	48 604 735	6 896 330
Investment Income		3 098 215	2 576 386
Financing Costs		(3 267 117)	(1 988 028)
Net Cash from Operating Activities		**48 435 833**	**7 484 688**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(43 900 939)	(17 381 050)
Proceeds on Disposal of Fixed Assets		-	476 799
(Increase)/Decrease in Intangible Assets		(483 333)	(474 798)
(Increase)/Decrease in Non-current Assets Held for Sale		-	68 184
(Increase)/Decrease in Investment Properties		182 000	100 000
(Increase)/Decrease in Long-term Receivables		124 555	-
(Increase)/Decrease in Non-current Investments		-	587 589
Net Cash from Investing Activities		**(44 077 717)**	**(16 623 276)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		4 226 829	1 923 850
Net Cash from Financing Activities		**4 226 829**	**1 923 850**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8 584 945	(7 214 738)
Cash and Cash Equivalents at the beginning of the year		1 142 300	8 357 038
Cash and Cash Equivalents at the end of the year	**45**	9 727 245	1 142 300
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**8 584 945**	**(7 214 738)**

INSERT ACCOUNTING POLICY

		2009 R	2008 R
2.	**HOUSING DEVELOPMENT FUND**		
	Housing Development Fund	807 385	1 496 732
	Unappropriated Surplus	807 385	1 496 732
	Loans extinguished by Government on 1 April 1998	-	-
	Total Housing Development Fund Assets and Liabilities	**807 385**	**1 496 732**
3.	**NET ASSET RESERVES**		
	RESERVES	6 040 000	-
	Capital Replacement Reserve	6 040 000	-
	Capitalisation Reserve	-	-
	Government Grant Reserve	-	-
	Total Net Asset Reserve and Liabilities	**6 040 000**	**-**
4.	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	24 929 875	21 169 437
	Hire Purchase	-	37 375
	Capitalised Lease Liability - At amortised cost	-	9 812
		24 929 875	**21 216 624**
	Less: Current Portion transferred to Current Liabilities	**(3 074 146)**	**(2 103 005)**
	Annuity Loans - At amortised cost	(3 074 146)	(2 055 818)
	Hire Purchase	-	(37 375)
	Capitalised Lease Liability - At amortised cost	-	(9 812)
		21 855 729	**19 113 619**
	Plus: Unamortised charges on loans	**(2 787 102)**	**(3 300 679)**
	Balance 1 July	(3 300 679)	-
	Adjustment for the period	513 577	463 300
	Restatement of prior year comparitives - Note 42.3	-	(3 763 979)
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**19 068 628**	**15 812 940**
	The obligations under hire purchases are scheduled below:	**Minimum lease payments**	
	Amounts payable under hire purchases:		
	Payable within one year	-	2 636
	Payable within two to five years	-	37 375
	Payable after five years	-	-
		-	40 011
	Less: Future finance obligations	-	(2 636)
	Present value of hire purchases obligations	**-**	**37 375**
	The obligations under finance leases are scheduled below:	**Minimum lease payments**	
	Amounts payable under finance leases:		
	Payable within one year	-	4 080
	Payable within two to five years	-	9 812
	Payable after five years	-	-
		-	13 892
	Less: Future finance obligations	-	(4 080)
	Present value of lease obligations	**-**	**9 812**

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

		2009 R	2008 R
5.	**NON-CURRENT EMPLOYEE BENEFITS**		
	Provision for Post Retirement Health Care	8 647 002	8 250 784
	Provision for Long Service Awards	590 766	534 053
	Total Non-current Employee Benefits	**9 237 768**	**8 784 837**
	Post Retirement Health Care		
	Balance 1 July	8 743 226	8 375 302
	Contribution for the year	380 126	367 924
	Actuarial Loss/(Gain)	75 734	-
	Total liability 30 June	**9 199 086**	**8 743 226**
	Less: Transfer of Current Portion to Current Employee Benefits - Note 8	(552 084)	(492 442)
	Balance 30 June	**8 647 002**	**8 250 784**
	Long Service Awards		
	Balance 1 July	587 152	510 269
	Contribution for the year	71 815	76 883
	Actuarial Loss/(Gain)	12 654	-
	Total liability 30 June	**671 621**	**587 152**
	Less: Transfer of Current Portion to Current Employee Benefits - Note 8	(80 855)	(53 099)
	Balance 30 June	**590 766**	**534 053**
	TOTAL NON-CURRENT EMPLOYEE BENEFITS		
	Balance 1 July	9 330 378	8 885 571
	Contribution for the year	451 941	444 807
	Expenditure for the year	-	-
	Actuarial Loss/(Gain)	88 388	-
	Total liability 30 June	**9 870 707**	**9 330 378**
	Less: Transfer of Current Portion to Current Employee Benefits - Note 8	(632 939)	(545 541)
	Balance 30 June	**9 237 768**	**8 784 837**

5.1 Provision for Post Retirement Health Care

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	74	69
Continuatioin members (e.g. Retirees, widows, orphans)	28	28
Total Members	**102**	**97**

The liability in respect of past service has been estimated to be as follows:

In-service members	1 769 000	1 825 218
Continuation members	7 430 086	6 918 008
Total Liability	**9 199 086**	**8 743 226**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Hosmed
LA Health
Munimed, and
SAMWU Medical Aid

The Current-sevice Cost for the ensuing year is estimated to be R166 222, whereas the Interest Cost for the next year is estimated to be R820 582.

Key actuarial assumptions used:	2009 %	2008 %
i) Rate of interest		
Discount rate	9.2	8.0
Health Care Cost Inflation Rate	7.3	6.0
Net Effective Discount Rate	1.7	1.9
ii) Mortality rates		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
iii) Normal retirement age		
The normal retirement age for employees of the municipality is 65 years.		

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	9 199 086	8 743 226
Fair value of plan assets	-	-
	9 199 086	8 743 226
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	**9 199 086**	**8 743 226**

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	8 743 226	8 375 302
Total expenses	380 126	367 924
Current service cost	173 110	160 286
Interest Cost	699 458	670 024
Benefits Paid	(492 442)	(462 386)
Actuarial (gains)/losses	75 734	-
Present value of fund obligation at the end of the year	9 199 086	8 743 226

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets		
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

	Increase	Decrease
Effect on the aggregate of the current service cost and interest cost components	1 143 800	860 300
Effect on the defined benefit obligation	10 415 000	8 193 000

		2009 R	2008 R
5.2	**Provision for Long Service Bonuses**		
	The Long Service Bonus plans are defined benefit plans. As at year end, 316 employees were eligible for Long Service Bonuses.		
	The Current-service Cost for the ensuing year is estimated to be R101 161 whereas the Interest Cost for the next year is estimated to be R58 302.		
	Key actuarial assumptions used:	**%**	**%**
	i) Rate of interest		
	Discount rate	9.2	8.0
	General Salary Inflation (long-term)	6.8	6.0
	Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.3	1.9
	The amounts recognised in the Statement of Financial Position are as follows:		
	Present value of fund obligations	671 621	587 152
	Fair value of plan assets	-	-
		671 621	587 152
	Unrecognised past service cost	-	-
	Unrecognised actuarial gains/(losses)	-	-
	Present value of unfunded obligations	-	-
	Net liability/(asset)	**671 621**	**587 152**
	Reconciliation of present value of fund obligation:		
	Present value of fund obligation at the beginning of the year	587 152	510 269
	Total expenses	71 815	76 883
	Current service cost	77 942	72 168
	Vested past service cost		-
	Interest Cost	46 972	40 821
	Benefits Paid	(53 099)	(36 106)
	Acturial (gains)/losses	12 654	
	Present value of fund obligation at the end of the year	**671 621**	**587 152**
	Reconciliation of fair value of plan assets:		
	Fair value of plan assets at the beginning of the year	-	-
	Expected return on plan assets	-	-
	Contribution: Employer	-	-
	Contribution: Employee	-	-
	Past service costs	-	-
	Acturial (gains)/losses	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	**-**	**-**
	The effect of a 1% movement in the assumed rate of salary inflation is as follows:		
		Increase	**Decrease**
	Effect on the aggregate of the current service cost and interest cost components	155 026	164 425
	Effect on the defined benefit obligation	627 000	722 000

5.3 Retirement funds

CAPE JOINT PENSION FUND

This fund comprises a defined benefit section and a defined contribution section. The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9%, by the members and 18% by Council. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R182,733 (R200,209) million with a funding level of 106,5% (107,1%), and is in a sound financial state as at 30 June 2008.

CAPE JOINT RETIREMENT FUND

This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R20,22) million with a funding level of 103,3% (105,3%) and is in a sound financial position as at 30 June 2008.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is ot available.

Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

		2009 R	2008 R
6.	**NON-CURRENT PROVISIONS**		
	Provision for Rehabilitation of Landfill-sites	5 990 209	2 857 229
	Total Non-current Provisions	**5 990 209**	**2 857 229**
6.1	***Landfill Sites***		
	Balance 1 July	5 044 509	4 694 098
	Contribution for the year	3 690 741	350 411
	Expenditure for the year	-	-
	Actuarial Loss/(Gain)	-	-
	Total provision 30 June	**8 735 250**	**5 044 509**
	Less: Transfer of Current Portion to Current Provisions - Note 9	(2 745 041)	(2 187 280)
	Balance 30 June	**5 990 209**	**2 857 229**
6.2	In terms of the licensing of the landfill refuse site, the municipality will incur rehabilitation costs of R13.324 Million to restore the sites at the end of their useful lives, estimated to be in 2018 to 2023. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate.		
	Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.		
7.	**CONSUMER DEPOSITS**		
	Water and Electricity	2 253 323	1 875 579
	Total Consumer Deposits	**2 253 323**	**1 875 579**
8.	**EMPLOYEE BENEFITS**		
	Performance Bonuses	212 401	172 404
	Staff Bonuses	969 883	928 969
	Staff Leave	1 529 499	1 223 108
	Pension workers	38 549	38 549
	Current Portion of Non-Current Employee Benefits	632 939	545 541
	Current Portion of Post Retirement Health Care - Note 5	552 084	492 442
	Current Portion of Long-Service Provisions - Note 5	80 855	53 099
	Total Employee Benefits	**3 383 271**	**2 908 571**
	The movement in current employee benefits are reconciled as follows:		
	Post Retirement Health Care		
	Balance at beginning of year	492 442	462 386
	Transfer from non-current	552 084	492 442
	Contribution	-	-
	Expenditure incurred	(492 442)	(462 386)
	Balance at end of year	**552 084**	**492 442**
	Long-service Awards		
	Balance at beginning of year	53 099	36 106
	Transfer from non-current	80 855	53 099
	Contribution	-	-
	Expenditure incurred	(53 099)	(36 106)
	Balance at end of year	**80 855**	**53 099**
	Staff Leave		
	Balance at beginning of year	1 223 108	-
	Change in Accounting Policy - Note 42.4		585 004
	Transfer from non-current	-	-
	Contribution	497 859	893 976
	Expenditure incurred	(191 468)	(255 872)
	Balance at end of year	**1 529 499**	**1 223 108**

	2009 R	2008 R
Performance Bonuses		
Balance at beginning of year	172 404	-
Change in Accounting Policy - Note 42.4		172 404
Transfer from non-current	-	-
Contribution	212 401	172 404
Expenditure incurred	(172 404)	(172 404)
Balance at end of year	**212 401**	**172 404**
Staff Bonuses		
Balance at beginning of year	928 969	-
Change in Accounting Policy - Note 42.4		928 969
Transfer from non-current	-	-
Contribution	969 883	928 969
Expenditure incurred	(928 969)	(928 969)
Balance at end of year	**969 883**	**928 969**
TOTAL - CURRENT EMPLOYEE BENEFITS		
Balance at beginning of year	2 870 022	498 492
Change in Accounting Policy - Note 42.4	-	1 686 377
Transfer from non-current	632 939	545 541
Contribution	1 680 143	1 995 349
Expenditure incurred	(1 838 382)	(1 855 737)
Balance at end of year	**3 344 722**	**2 870 022**

For more information regarding the provisions for Post Retirement Benefits and Long-term Service Awards - Refer to Note 5 to the Financial Statements, Other Defined Benefit Plan Information

Exemptions taken for provisions according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.

9. PROVISIONS

	2009 R	2008 R
Pre-paid Electricity Sales	159 959	-
Current Portion of Rehabilitation of Landfill Sites - Note 6	2 745 041	2 187 280
Total Provisions	2 905 000	2 187 280

The movement in current provisions are reconciled as follows:

	2009 R	2008 R
Rehabilitation of Landfill Sites		
Balance at beginning of year	2 187 280	2 187 280
Transfer from non-current	2 745 041	2 187 280
Contribution to provision	-	-
Expenditure incurred	(2 187 280)	(2 187 280)
Balance at end of year	**2 745 041**	**2 187 280**

10. TRADE AND OTHER PAYABLES

Trade Payables	3 073 047	2 661 038
Payments received in advance	771 776	624 567
Retentions	1 394 529	439 367
Other Creditors	5 073 685	1 753 128
Deposits: Other	512 559	450 213
Total Creditors	**10 825 596**	**5 928 313**

		2009 R	2008 R
11.	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
11.1	***Conditional Grants from other spheres of Government***		
	Unspent Grants	3 842 297	5 730 514
	National Government Grants	747 771	3 698 434
	Provincial Governement Grants	2 686 526	1 624 080
	Other Sources	408 000	408 000
	Less: Unpaid Grants	4 016 457	2 994 830
	National Government Grants	141 484	-
	Provincial Governement Grants	3 173 720	1 984 131
	Other Sources	701 253	1 010 699
	Total Conditional Grants and Receipts	**(174 160)**	**2 735 684**

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by cash and cash equivalents. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

12.	**TAXES**		
	VAT Payable	-	-

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

	VAT Receivable	1 461 189	2 242 486

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

13. SHORT-TERM LOANS

The Municipality has no short term loans.

		2009 R	2008 R
15.	**INVESTMENT PROPERTY**		
	Net Carrying amount at 1 July	**14 194 910**	**14 294 910**
	Cost/Valuation	14 194 910	14 315 909
	Correction of Error - Note 43.6	-	(20 999)
	Accumulated Depreciation	-	-
	Transfer to Property, Plant and Equipment	-	-
	Cost	-	-
	Accumulated Depreciation	-	-
	Disposals	(182 000)	-
	Fair Value Adjustments	-	(100 000)
	Depreciation for the year	-	-
	Net Carrying amount at 30 June	**14 012 910**	**14 194 910**
	Cost/Valuation	14 012 910	14 194 910
	Accumulated Depreciation	-	-
	The fair value of Investment Properties, as valued by the municipality's valuer, is estimated at:	14 012 910	14 194 910
	Exemptions taken for investment property according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.		
16.	**INTANGIBLE ASSETS**		
	Net Carrying amount at 1 July	**773 895**	**299 097**
	Cost	1 084 039	609 241
	Correction of Error - Note 41.7		(93 598)
	Accumulated Amortisation	(310 144)	(216 546)
	Acquisitions	483 333	474 798
	Amortisation	(310 578)	-
	Net Carrying amount at 30 June	**946 650**	**773 895**
	Cost	1 567 372	1 084 039
	Accumulated Amortisation	(620 722)	(310 144)
	Exemptions taken for intangible assets according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.		
17.	**LONG TERM RECEIVABLES**		
	Staff Car Loans	-	48 459
	Housing selling scheme loans	776 362	852 459
		776 362	900 918
	Less: Current portion transferred to current receivables	(30 972)	(54 866)
		745 390	846 052
	Less: Provision for Impairment of Long Term Receivables	-	-
	Total Long Term Receivables	**745 390**	**846 052**
18.	**INVENTORY**		
	Consumable Stores - At cost	95 725	51 024
	Water - At purification cost	110 736	100 297
	Graves - At cost	115 325	14 737
	Niss Wall - At cost	176 800	176 800
	Refuse Wheelie Bins - At cost	29 200	34 800
	Housing Inventory held for transfer - At cost	1 310 684	1 655 677
	Land held for resale - At cost	264 779	188 443
	Total Inventory	**2 103 249**	**2 221 778**
	Exemptions taken for inventory according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities.		

		2009 R	2008 R
19.	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Service Debtors	24 173 674	23 266 670
	Housing Rentals	3 041 402	2 644 542
	Total: Trade receivables from exchange transactions (before provision)	**27 215 076**	**25 911 212**
	Provision for Impairments	(7 873 692)	(9 523 200)
	Total: Trade receivables from exchange transactions (after provision)	**19 341 384**	**16 388 012**
	The fair value of other receivables approximate their carrying value.		
	(Service Debtors): Ageing		
	Current (0 - 30 days)	7 386 086	8 829 627
	31 - 60 Days	1 264 449	1 059 622
	61 - 90 Days	956 014	844 761
	+ 90 Days	14 567 125	12 532 660
	Total	**24 173 674**	**23 266 670**
	Reconciliation of Provision for Bad Debts		
	Balance at beginning of year	9 523 200	7 000 000
	Contribution (from)/to provision	(530 659)	3 254 001
	Bad Debts written off against provision	(1 118 849)	(730 801)
	Balance at end of year	**7 873 692**	**9 523 200**
	The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.		
	Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		
20.	**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Other Debtors	1 210 617	555 245
		1 210 617	555 245
	Less: Provision for bad debts	-	-
	Total Other Receivables from non-exchange transactions	**1 210 617**	**555 245**
	The fair value of other receivables approximate their carrying value.		
21.	**OPERATING LEASE ARRANGEMENTS**		
21.1	**The Municipality as Lessee**		
	Leases not previously recognised	77 753	54 139
	Balance on 30 June	**77 753**	**54 139**
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	382 565	339 030
	1 to 5 Years	670 162	1 052 727
	More than 5 Years	-	-
	Total Operating Lease Arrangements	**1 052 727**	**1 391 757**
	Reconciliation		
	Amount previously recorded	54 139	-
	Change in Accounting Policy - Note 42.5		23 274
	Movement during the year	23 614	30 865
	Balance on 30 June	**77 753**	**54 139**

		2009 R	2008 R
21.2	**The Municipality as Lessor**		
	Leases not previously recognised - Note 42.6	30 250	30 696
	Balance on 30 June	**30 250**	**30 696**
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	69 912	72 798
	1 to 5 Years	90 036	159 948
	More than 5 Years	-	-
	Total Operating Lease Arrangements	**159 948**	**232 746**
	Reconciliation		
	Amount previously recorded	30 696	-
	Change in accounting policy - Note 42.6		12 650
	Movement during the year	(446)	18 046
	Balance on 30 June	**30 250**	**30 696**
22.	**CASH AND CASH EQUIVALENTS**		
22.1	**Assets**		
	Call Investments Deposits		
	Primary Bank Account	9 721 495	1 136 750
	Cash Floats	5 750	5 550
	Total Cash and Cash Equivalents - Assets	**9 727 245**	**1 142 300**
22.2	**Liabilities**		
	Primary Bank Account	-	-
	Total Cash and Cash Equivalents - Liabilities	**-**	**-**
	The municipality has the following bank accounts:		
	Current Accounts		
	ABSA Bank Limited - Account Number 4050575029 (Primary Bank Account):	9 721 495	1 136 750
		9 721 495	**1 136 750**
	ABSA Bank - Account Number 4050575029 (Primary Bank Account):		
	Cash book balance at beginning of year	1 136 750	314 206
	Cash book balance at end of year	9 721 495	1 136 750
	Bank statement balance at beginning of year	6 026 052	4 063 946
	Bank statement balance at end of year	12 911 831	6 026 052
23.	**PROPERTY RATES**		
	Actual		
	Rateable Land and Buildings	24 089 144	16 984 669
	Less: Rebates	(9 370 513)	(4 296 051)
	Total Assessment Rates	**14 718 631**	**12 688 618**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2007. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand of R 0.00650 was charged on all property.

Government properties qualified for a 30% discount and Agricultural properties for a 65% discount.

Rates are levied monthly and payable by the 25th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

		2009 R	2008 R
24.	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Equitable Share	18 034 375	12 687 000
	Other - Operating Grants	37 628 932	17 342 890
	Other - Capital Grants	18 441 444	9 828 865
	Total Government Grants and Subsidies	**74 104 751**	**39 858 755**
25.	**PUBLIC CONTRIBUTIONS AND DONATIONS**		
	Public Contributions - Conditional	2 528 789	-
	Public Contributions - Unconditional	-	-
	Donations	-	-
	Total Public Contributions and Donations	**2 528 789**	**-**
26.	**SERVICE CHARGES**		
	Electricity	**31 083 040**	**26 196 438**
	Service Charges	31 506 364	26 511 407
	Less: Rebates	(423 324)	(314 969)
	Water	**7 410 633**	**9 955 649**
	Service Charges	8 910 766	11 455 782
	Less: Rebates	(1 500 133)	(1 500 133)
	Refuse Removal	**5 346 825**	**3 453 919**
	Service Charges	6 841 436	4 464 010
	Less: Rebates	(1 494 611)	(1 010 091)
	Sewerage and Sanitation Charges	**5 909 185**	**6 233 141**
	Service Charges	8 595 471	8 169 344
	Less: Rebates	(2 686 286)	(1 936 203)
	Total Service Charges	**49 749 683**	**45 839 147**
27.	**RENTAL OF FACILITIES AND EQUIPMENT**		
	Rental of facilities and equipment	2 297 540	2 003 239
	Other rentals	46	65 450
	Total Rental of Facilities and Equipment	**2 297 586**	**2 068 689**
28.	**INTEREST EARNED - EXTERNAL INVESTMENTS**		
	Bank	987 526	583 588
	Financial assets	434 026	582 558
	Other	2 660	6 235
	Total Interest Earned - External Investments	**1 424 212**	**1 172 381**
29.	**INTEREST EARNED - OUTSTANDING RECEIVABLES**		
	Trade Receivables	1 674 003	1 404 005
	Total Interest Earned - Outstanding Receivables	**1 674 003**	**1 404 005**

		2009 R	2008 R
30.	**OTHER INCOME**		
	Advertising Signs	2 352	2 352
	Application Fees - Town Planning	34 052	74 989
	Building Plan Fees	152 200	158 308
	Cemetery	336 402	290 381
	Cemetery-Diggings	19 456	12 465
	Driveways	11 007	4 629
	Electricity Connections	2 105	304 307
	Encroachments	37 412	24 825
	Housing redeemed	110 414	253 270
	Library Fees	-	217 274
	Photocopies	19 825	19 961
	Refuse Bags	846	163
	Roadworthy Certificates	520 796	197 304
	Sundry Income - Finance	385 907	3 966
	Surplus Cash	-	4 564
	Traffic Sundries	-	30
	Valuation Certificates	50 249	52 027
	Provision for Debt Impairment adjustment	530 659	-
	Total Other Income	**2 213 682**	**1 620 815**
31.	**EMPLOYEE RELATED COSTS**		
	Employee Related Costs - Salaries and Wages	26 805 372	22 101 624
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	4 411 808	6 147 144
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	2 113 864	1 980 035
	Housing Benefits and Allowances	582 497	490 146
	Overtime Payments	1 313 946	1 205 701
	Bonuses	1 182 284	1 101 373
	Provision for leave	497 859	893 977
		36 907 630	33 920 000
	Less: Employee Costs allocated elsewhere	(903 800)	(955 541)
	Total Employee Related Costs	**36 003 830**	**32 964 459**
	KEY MANAGEMENT PERSONNEL		
	Key mangement personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	Remuneration of the Municipal Manager		
	Annual Remuneration	775 955	716 487
	Performance Bonus	50 154	78 540
	Total	**826 109**	**795 027**
	Remuneration of the Director : Finance		
	Annual Remuneration	553 413	511 000
	Performance Bonus	45 990	63 380
	Total	**599 403**	**574 380**
	Remuneration of Director : Administration		
	Annual Remuneration	332 344	406 520
	Performance Bonus	-	32 659
	Total	**332 344**	**439 179**
	Remuneration of Director : Community Services		
	Annual Remuneration	487 350	450 000
	Performance Bonus	40 500	53 940
	Total	**527 850**	**503 940**
	Remuneration of Director : Technical Services		
	Annual Remuneration	141 712	495 432
	Performance Bonus	35 760	27 932
	Total	**177 472**	**523 364**

	2009 R	2008 R
Remuneration of LED Manager		
Annual Remuneration	353 508	
Total	**353 508**	**-**

32. REMUNERATION OF COUNCILLORS

Executive Mayor	534 683	481 696
Deputy Executive Mayor	430 942	388 236
Speaker	430 942	388 236
Executive Committee Members	405 007	364 872
Councillors	1 463 379	1 342 586
Total Councillors' Remuneration	**3 264 953**	**2 965 626**

In-kind Benefits

The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
Signed: Acting Municipal Manager

33. DEBT IMPAIRMENT

Trade Receivables from exchange transactions - Note 19	-	3 254 001
Long-term Receivables - Note 17	-	-
Other Receivables from non-exchange transactions - Note 20	-	-
Total Contribution to Bad Debts Provision	**-**	**3 254 001**

34. DEPRECIATION AND AMORTISATION

Property, plant and equipment	10 659 504	8 946 769
Intangible assets	310 578	93 598
Total Depreciation and Amortisation	**10 970 082**	**9 040 367**

35. FINANCE COSTS

Long-term Liabilities	3 267 117	1 975 222
Total Finance Costs	**3 267 117**	**1 975 222**

36. BULK PURCHASES

Electricity	20 814 039	16 333 432
Water	2 467 018	2 769 804
Total Bulk Purchases	**23 281 057**	**19 103 236**

37. GRANTS AND SUBSIDIES PAID

Donations General	136 816	148 810
Poverty Aleviation	25 701	3 622
Life Gaurds	81 088	92 844
Contribution: Rittelfees	50 000	80 000
Housing loans written off	558 611	1 001 463
Total Grants and Susidies	**852 216**	**1 326 739**

		2009 R	2008 R
38.	**GENERAL EXPENSES**		
	General Expenses	**9 341 010**	**8 625 150**
	General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.		
39.	**GAIN/ (LOSS) ON SALE OF ASSETS**		
	Property, plant and equipment	268 003	232 942
	Total Gain/ (Loss) on Sale of Assets	**268 003**	**232 942**
40.	**(IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS**		
	Property, Plant and Equipment	57 933	-
	Total (Impairment Loss)/ Reversal of Impairment Loss	**57 933**	**-**
41.	**PROFIT/ (LOSS) ON FAIR VALUE ADJUSTMENTS**		
	Investment property carried at fair value	(128 491)	24 510
	Other financial assets	-	-
	Other financial liabilities	-	-
	Total Profit/ (Loss) on Fair Value Adjustments	**(128 491)**	**24 510**
42.	**CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GAMAP/GRAP**		
	The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP/GRAP:		
42.1	**Capitalisation Reserve**		
	Balance previously reported:	**-**	**7 465 761**
	Transfer to Accumulated Surplus/(Deficit) - Note 3	-	(7 465 761)
	Restated balance	**-**	**-**
42.2	**Government Grant Reserve**		
	Balance previously reported:	**-**	**56 984 049**
	Transfer to Accumulated Surplus/(Deficit) - Note 3	-	(56 984 049)
	Restated balance	**-**	**-**
42.3	**Long-term Liabilities**		
	Balance previously reported:	**-**	**19 113 619**
	Implementation of GRAP		
	Unamortised charges on loans recognised - Note 4	-	(3 763 979)
	Restated balance	**-**	**15 349 640**
42.4	**Employee Benefits**		
	Balance previously reported	**-**	**2 771 370**
	Implementation of GRAP	**-**	1 101 373
	Performance Bonuses recognised - Note 7		172 404
	Staff Bonuses recognised - Note 7		928 969
	Staff Leave previously recognised as Trade Payables		1 223 108
	Restated balance	**-**	**5 095 851**

		2009 R	2008 R
42.5	**Operating Lease Liability**		
	Balance previously reported	**-**	**-**
	Implementation of GRAP		
	Operating Lease Liability recognised - Note 21.1	-	23 274
	Restated balance	**-**	**23 274**
42.6	**Operating Lease Asset**		
	Balance previously reported	**-**	**-**
	Implementation of GRAP		
	Operating Lease Asset recognised - Note 21.2	-	12 650
	Restated balance	**-**	**12 650**
42.7	**Trade Payables**		
	Balance previously reported	**-**	**7 164 227**
	Implementation of GRAP		
	Provision for Staff Leave included under Employee Benefits - Note 7	-	(1 223 108)
	Correction of Error - Note 43.1	-	12 806
	Restated balance	**-**	**5 941 119**
42.8	**Accumulated Surplus/(Deficit)**		
	Implementation of GRAP	**-**	**61 950 969**
	Reversal of Capitalisation Reserve - Note 42.1	-	7 465 761
	Reversal of Government Grant Reserve - Note 42.2	-	56 984 049
	Reversal of Capital Grants used to purchase PPE in 2008	-	(9 828 865)
	Reversal of Offsetting of Depreciation recognised previous year in Statement of Changes in Net Assets	-	4 678 042
	Unamortised discount on loans - Note 42.3	-	3 763 979
	Performance Bonuses recognised - Note 42.4	-	(172 404)
	Staff Bonuses recognised - Note 42.4	-	(928 969)
	Operating Lease Liability recognised - Note 42.5	-	(23 274)
	Operating Lease Asset recognised - Note 42.6	-	12 650
	Total Changes in Accounting Policy	**-**	**61 950 969**
43.	**CORRECTION OF ERROR IN TERMS OF GRAP 3**		
43.1	**Trade Payables**		
	Balance previously reported		
	Accumulated interest on DBSA loan not recognised	-	31 763
	Trade Payables duplicated in financial records	-	(44 569)
	Total	**-**	**(12 806)**
43.2	**Inventory**		
	Balance previously reported		
	Housing Inventory not previously recognised	-	62 458
	Houses sold in previous year not recorded	-	(6 109)
	Total	**-**	**56 349**
43.3	**Receivables from non-exchange transactions**		
	Balance previously reported		
	Eskom Deposits not previously recognised	-	6 357
	Sundry Debtors not previously recognised	-	3 879
	Total	**-**	**10 236**

		2009 R	2008 R
43.4	**Taxes**		
	Balance previously reported		
	VAT Receivable not previously recognised	-	31 215
	Total	**-**	**31 215**
43.5	**Property, Plant and Equipment**		
	Balance previously reported		
	PPE of Sport Clubs previously incorrectly included	-	(155 295)
	Total	**-**	**(155 295)**
43.6	**Investment Property**		
	Balance previously reported		
	Investment Property not previously recognised	-	24 510
	Investment Property previously overstated		(45 509)
	Total	**-**	**(20 999)**
43.7	**Intangible Assets**		
	Balance previously reported		
	Amortisation not written-off in previous year	-	93 598
	Total	**-**	**93 598**
43.8	**Accumulated Surplus/(Deficit) - 1 July 2007**		
	Investment Property previously overstated - Note 43.6	**-**	**45 509**
	Total	**-**	**45 509**
43.9	**Accumulated Surplus/(Deficit) - 2007/2008**		
	Accumulated interest on DBSA loan not recognised - Note 43.1	-	31 763
	Trade Payables duplicated in financial records - Note 43.1	-	(44 569)
	Housing Inventory not previously recognised - Note 43.2	-	(62 458)
	Eskom Deposits not previously recognised - Note 43.3	-	(6 357)
	Sundry Debtors not previously recognised - Note 43.3	-	(3 879)
	VAT Receivable not previously recognised - Note 43.4	-	(31 215)
	PPE of Sport Clubs previously included - Note 43.5	-	155 295
	Investment Property not previously recognised - Note 43.6	-	(24 510)
	Houses sold in previous year not recorded - Note 43.2	-	6 109
	Amortisation not written-off in previous year - Note 43.7	-	(93 598)
	Total	**-**	**(73 419)**
44.	**RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS**		
	Surplus/(Deficit) for the year	34 202 860	4 527 213
	Adjustments for:		
	Depreciation and amortisation	10 659 504	8 946 769
	Amortisation of Intangible Assets	310 578	
	Gain on disposal of property, plant and equipment	(268 003)	(232 942)
	Changes in fair value adjustments		(24 510)
	Impairments	57 933	
	Investment income	(3 098 215)	(2 576 386)
	Financing Costs	3 267 117	1 988 028
	Operating Surplus/(Deficit) before changes in working capital	45 131 774	12 628 172
	Changes in working capital	3 472 961	(5 731 842)
	Increase/(Decrease) in Consumer Deposits	377 744	161 923
	Increase/(Decrease) in Provisions	717 720	614 408
	Increase/(Decrease) in Current Employee Benefits	474 700	13 951
	Increase/(Decrease) in Non-Current Provisions	3 383 199	350 411
	Increase/(Decrease) in Non-Current Employee Benefits	452 931	397 758
	Increase/(Decrease) in Trade and Other Payables	3 661 369	2 135 801
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(1 888 217)	(180 371)
	Increase/(Decrease) in Taxes	781 297	(1 991 335)
	Increase/(Decrease) in Operating Lease Liability	23 614	-
	(Increase)/Decrease in Inventory	118 529	173 592
	(Increase)/Decrease in Trade Receivables from exchange transactions	(2 953 372)	(4 734 862)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(655 372)	(55 036)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(1 021 627)	(2 618 082)
	(Increase)/Decrease in Operating Lease Asset	446	-
	Cash generated/(absorbed) by operations	48 604 735	**6 896 330**

		2009 R	2008 R
45.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Cash Floats - Note 22	5 750	5 550
	Bank - Note 22	9 721 495	1 136 750
	Total cash and cash equivalents	**9 727 245**	**1 142 300**
46.	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term Liabilities - Note 4	24 929 875	21 216 624
	Used to finance property, plant and equipment - at cost	(24 929 875)	(21 216 624)
		-	-
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act

47. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

47.1 Unauthorised expenditure

	2009 R	2008 R
Reconciliation of unauthorised expenditure:		
Opening balance	33 994 676	10 531 748
Unauthorised expenditure current year	29 609 892	23 462 928
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**63 604 568**	**33 994 676**

Incident		Disciplinary steps/criminal proceedings
Over expenditure of approved budget		*None*

47.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	**-**	**-**

Incident		Disciplinary steps/criminal proceedings
None		*None*

47.3 Irregular expenditure

Reconciliation of irregular expenditure:		
Opening balance	911 750	338 943
Irregular expenditure current year	104 424	572 807
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	**1 016 174**	**911 750**

Incident		Disciplinary steps/criminal proceedings
Additional payments made to employees i.r.o. Essential Motor Scheme		*None*

		2009 R	2008 R
48.	**ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**		
48.1	**Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**		
	Opening balance	44 230	28 621
	Council subscriptions	150 165	137 424
	Amount paid - current year	(150 165)	(121 815)
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	**44 230**	**44 230**
48.2	**Audit fees - [MFMA 125 (1)(b)]**		
	Opening balance	-	
	Current year audit fee	734 210	782 198
	External Audit - Auditor-General	734 210	782 198
	Amount paid - current year	(734 210)	(782 198)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	**-**	**-**
48.3	**VAT - [MFMA 125 (1)(b)]**		
	Opening balance	2 211 271	745 810
	Amounts received - current year	(6 959 081)	(589 102)
	Amounts claimed - current year (payable)	6 217 316	2 054 563
	Amount paid - current year	-	-
	Amount paid - previous year	-	-
	Closing balance	**1 469 506**	**2 211 271**
48.4	**PAYE and UIF - [MFMA 125 (1)(b)]**		
	Opening balance	286 188	-
	Current year payroll deductions	3 650 470	3 719 118
	Amount paid - current year	(3 936 658)	(3 432 930)
	Balance unpaid (included in creditors)	**-**	**286 188**
48.5	**Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]**		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	7 482 650	7 313 886
	Amount paid - current year	(7 482 650)	(7 313 886)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	**-**	**-**

48.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]

No councillor's account was in arrear in the current or prior financial year.

48.7 Non-compliance with Chapter 14 of the Municipal Finance Management Act

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:

	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,001
Executive & Council	405 475	88 430	-	-
Corporate Services	398 154	-	-	-
Safety	268 478	30 420	-	-
Financial Services	1 265 538	1 887 870	247 046	-
Technical Services	5 760 843	1 108 731	1 723 499	-
	8 098 488	3 115 451	1 970 545	-

Reasons for the deviations from Supply Chain Management Regulations are procurements in case of an emergency or goods or services that are only available from a single provider or cases where it is impractical or impossible to follow the official procurement processes.

	2009 R	2008 R
48.8 Material losses - [MFMA 125 (2)(d)]		
The following material distribution losses incurred during the year:		
Electricity (%)	13.60	9.07
Electricity (Rand Value)	5 581 619	3 015 437
49. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:	7 700 000	7 400 000
Infrastructure	7 200 000	7 400 000
Community	500 000	-
Approved but not yet contracted for	39 343 000	37 171 600
Infrastructure	34 518 000	20 724 123
Community	1 080 000	-
Housing Development Fund	-	5 217 500
Investment Properties	-	4 953 600
Other	3 745 000	6 276 377
Total	**47 043 000**	**44 571 600**
This expenditure will be financed from:		
External Loans	6 093 442	5 600 000
Capital Replacement Reserve	6 040 000	9 555 600
Government Grants	30 346 558	29 416 000
Other Resources	4 563 000	
	47 043 000	**44 571 600**

50. RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 30 June 2008.

51. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Interest Rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non- payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other Risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policv.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:

Investments	-	-
Long Term Receivables	776 362	900 917
Trade receivables from exchange transactions	19 341 384	16 388 012
Other receivables from non-exchange transactions	1 210 617	555 245
Other Debtors	5 516 213	5 268 012
Current Portion of Long-term Receivables	-	-
Short-term Investment Deposits	-	-
Bank and Cash Balances	9 727 245	1 142 300
Maximum Credit and Interest Risk Exposures	**36 571 821**	**24 254 486**

		2009 R	2008 R
52. FINANCIAL INSTRUMENTS			
In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:			
Financial Assets	**Classification**		
Long-term Receivables			
Housing Selling Scheme Loans	Loans and Receivables	776 362	900 917
Consumer Debtors			
Trade receivables from exchange transactions	Loans and Receivables	19 341 384	16 388 012
Other receivables from non-exchange transactions	Loans and Receivables	1 210 617	555 245
Other Debtors			
Operating Lease Asset	Loans and Receivables	30 250	30 696
VAT	Loans and Receivables	1 469 506	2 242 486
Government Subsidies and Grants	Loans and Receivables	4 016 457	2 994 830
Cash and Cash Equivalents			
Bank Balances	Held to maturity	9 721 495	1 136 750
Cash Floats and Advances	Held to maturity	5 750	5 550
SUMMARY OF FINANCIAL ASSETS			
Held to maturity:			
Bank Balances		9 721 495	1 136 750
Cash Floats and Advances		5 750	5 550
		9 727 245	**1 142 300**
Loans and Receivables			
Long-term Receivables	Staff Loans	776 362	900 917
Consumer Debtors	Exchange transactions	19 341 384	16 388 012
Consumer Debtors	Non-exchange transactions	1 210 617	555 245
Other Debtors	Operating Lease Asset	30 250	30 696
Other Debtors	Government Subsidies and Grants	4 016 457	2 994 830
Current Portion of Long-term Receivables	Staff Loans	-	-
VAT	VAT	1 469 506	2 242 486
		26 844 576	**23 112 186**
Total Financial Assets		**36 571 821**	**24 254 486**
Financial Liabilities	**Classification**		
Long-term Liabilities			
Annuity Loans	At amortised cost	24 929 875	21 169 437
Capitalised Lease Liability	At amortised cost	-	47 187
Non-current Provisions/Employee Benefits			
Post-retirement Health Care Benefits	At amortised cost	9 199 086	8 743 226
Long Service Awards	At amortised cost	671 621	587 152
Rehabilitation of Landfill-sites	At amortised cost	8 735 250	5 044 509
Employee Benefits			
Performance Bonuses	At amortised cost	212 401	172 404
Bonusses	At amortised cost	969 883	928 969
Staff Leave	At amortised cost	1 529 499	1 223 108
Trade and Other Payables			
Payables	At amortised cost	10 825 596	5 928 313
Unspent Conditional Government Grants and Receipts			
National Government Grants	At amortised cost	747 771	3 698 434
Provincial Governement Grants	At amortised cost	2 686 526	1 624 080
Other Sources	At amortised cost	408 000	408 000

SUMMARY OF FINANCIAL LIABILITIES

At amortised cost:		
Long-term Liabilities	24 929 875	21 216 624
Non-current Provisions/Employee Benefits	18 605 957	14 374 887
Employee Benefits	2 711 783	2 324 481
Trade and Other Payables	10 825 596	5 928 313
Unspent Conditional Government Grants and Receipts	3 842 297	5 730 514
Total Financial Liabilities	**60 915 508**	**49 574 819**

53. EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

54. IN-KIND DONATIONS AND ASSISTANCE

The municipality has received no in-kind donations or assistance.

55. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

56. COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

57. CONTINGENT LIABILITY

The municipality is not aware of any contingent liabilities.

58. RELATED PARTIES

58.1 Related Party Transactions

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

58.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 15 to the Annual Financial Statements.

58.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 31 to the Annual Financial Statements.

58.4 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Councillor/Staff Member	Entity		
H Meyer (Chief: Creditors)	HD Meyer (Spouse)	6 156	19 619
L Kleynhans (Chief: Salaries)	Auto Page Cellular (Spouse)	20 665	303 561
L van Wyk (Debtors Accountant	KC Verkoeling (Spouse)	238 925	85 064

59. EXEMPTIONS TAKEN ACCORDING TO DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

GRAP 12 Inventories

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. Provisional amounts are set at R 0.00 as it might have an effect on other classes of assets such as Property, Plant and Equipment or Agricultural Assets.

The municipality is currently in a process of measuring all inventories in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

GRAP 16 Investment Properties

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. Provisional amounts are set at R 0.00 as it might have an effect on other classes of assets such as Property, Plant and Equipment.

The municipality is currently in a process of identifying and measuring all Investment Properties in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

GRAP 17 Property, Plant and Equipment

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. Provisional amounts are set at R 0.00 as it might have an effect on other classes of assets such as Investment Properties, Intangible Assets or Inventory. The municipality did not measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land
Small asset items below a R5 000 threshold previously expensed
Property, Plant and Equipment financed by way of provisions
Property, Plant and Equipment transferred as a result of the transfer of functions
Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it measured in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements.The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The municipality did not measure the following, in terms of the transitional provisions:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

GRAP 19 Provisions, Contingent Liabilities and Contingent Assets

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equiment:

Refuse tip-sites financed by way of a provsion;

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

GRAP 102 Intangible Assets

The municipality opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. Provisional amounts are set at R 0.00 as it might have an effect on other classes of assets such as Property, Plant and Equipment.

Computer Software
Intangible assets financed by way of finance leases
Intangible assets transferred as a result of the transfer of functions
Servitudes

The municipality is currently in a process of measuring all Intangible Assets in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

14.1 30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2008	12 060 571	80 494 337	9 340 161	-	43 443	11 052 256	-	112 990 768
Cost	15 197 619	124 903 105	12 764 913	-	409 422	22 248 808	-	175 523 867
Original Cost	15 197 619	124 903 105	12 764 913	-	409 422	22 248 808	-	175 523 867
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	(3 137 048)	(44 408 768)	(3 424 752)	-	(365 979)	(11 196 552)	-	(62 533 099)
Original Cost	(3 137 048)	(44 408 768)	(3 424 752)	-	(365 979)	(11 196 552)	-	(62 533 099)
Revaluation	-	-	-	-	-	-	-	-
Acquisitions	540 540	19 429 080	208 068	-	-	2 728 106	-	22 905 794
Capital under Construction	-	20 953 344		-	-	41 801	-	20 995 145
Depreciation	(563 364)	(6 895 265)	(452 042)	-	(43 443)	(2 705 390)	-	(10 659 504)
Normal Depreciation	(563 364)	(6 895 265)	(452 042)	-	(43 443)	(2 705 390)	-	(10 659 504)
Backlog Depreciation previously not recordec	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	(57 933)	-	(57 933)
Cost	-	-	-	-	(409 422)	(119 861)	-	(529 283)
Accumulated Depreciation	-	-	-	-	409 422	61 928	-	471 350
Carrying value at 30 June 2009	12 037 747	113 981 496	9 096 187	-	-	11 058 840	-	146 174 270
Cost	15 738 159	165 285 530	12 972 981	-	-	24 898 854	-	218 895 524
Original Cost	15 738 159	165 285 530	12 972 981	-	-	24 898 854	-	218 895 524
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	(3 700 412)	(51 304 035)	(3 876 794)	-	-	(13 840 014)	-	(72 721 255)
Original Cost	(3 700 412)	(51 304 035)	(3 876 794)	-	-	(13 840 014)	-	(72 721 255)
Revaluation	-	-	-	-	-	-	-	-

14.2 30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings R	Infrastructure R	Community R	Heritage R	Lease Assets R	Other R	Housing R	Total R
Carrying value at 1 July 2007	11 885 898	73 841 920	9 511 815	-	84 447	8 850 296	-	104 174 376
Cost	14 478 535	112 615 758	12 497 272	-	409 422	18 220 121	-	158 221 108
Original Cost	14 478 535	112 615 758	12 497 272		409 422	18 220 121	-	158 221 108
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	(2 592 637)	(38 773 838)	(2 985 457)	-	(324 975)	(9 369 825)	-	(54 046 732)
Original Cost	(2 592 637)	(38 773 838)	(2 985 457)	-	(324 975)	(9 369 825)	-	(54 046 732)
Revaluation	-	-	-	-	-	-	-	-
Acquisitions	700 098	6 121 026	345 418	-	-	3 725 634	-	10 892 176
Capital under Construction	125 457	6 166 321	-	-	-	197 097	-	6 488 875
Transfers from/(to) Investment Properties - Note 15	(41 869)	-	(65 998)	-	-	(71 893)	-	(179 760)
Cost	(35 252)	-	(77 776)	-	-	(303 465)	-	(416 493)
Accumulated Depreciation	(6 617)	-	11 778	-	-	231 572	-	236 733
Depreciation	(544 916)	(5 634 930)	(451 073)	-	(41 004)	(2 058 299)	-	(8 730 222)
Normal Depreciation	(544 916)	(5 634 930)	(451 073)	-	(41 004)	(2 058 299)	-	(8 730 222)
Backlog Depreciation previously not recordec	-	-	-	-	-	-	-	-
Carrying value of disposals	(64 097)	-	-	-	-	-	-	(64 097)
Cost	(71 219)	-	-	-	-	-	-	(71 219)
Accumulated Depreciation	7 122	-	-	-	-	-	-	7 122
Carrying value at 30 June 2008	12 060 571	80 494 337	9 340 162	-	43 443	10 642 835	-	112 990 768
Cost	15 197 619	124 903 105	12 764 913	-	409 422	22 248 806	-	175 523 865
Original Cost	15 197 619	124 903 105	12 764 913	-	409 422	22 248 806	-	175 523 865
Revaluation	-	-	-	-	-	-	-	-
Accumulated Depreciation	(3 137 048)	(44 408 768)	(3 424 752)	-	(365 979)	(11 196 552)	-	(62 533 099)
Original Cost	(3 137 048)	(44 408 768)	(3 424 752)	-	(365 979)	(11 196 552)	-	(62 533 099)
Revaluation	-	-	-	-	-	-	-	-

14.3 Other Information

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

The Municipality has taken advantage of the transitional provisions set out in Directive 4. The Municipality is in the process of identifying and itemizing all infrastructure and community assets and other property, plant and equipment and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets and other property plant and equipment using global or other historical costs recorded in the accounting records.

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

APPENDIX A
MATZIKAMA MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30/06/2008	Received during the period	Redeemed written off during the period	Balance at 30/06/2009
LONG-TERM LOANS							
Total Long-term Loans				**-**	**-**	**-**	**-**
ANNUITY LOANS							
DBSA - Water	14.00%	LE03	2015	1 209 134	-	68 446	1 140 688
DBSA - Capital Works 2002	13.00%	OB1	2012	1 595 570	-	361 978	1 233 592
DBSA - Capital Works 2003/2004	10.98%	OB12	2014	3 365 681	-	424 523	2 941 158
DBSA - Capital Works 2004/2005	9.92%		2015	2 962 741		310 821	2 651 920
DBSA - Capital Works 2007/2008	14.27%		2018	4 000 000	-	-	4 000 000
DBSA - Infrastructure 1	6.75%		2018		1 540 000	87 991	1 452 009
DBSA - Infrastructure 2	6.75%		2018		2 350 000	84 409	2 265 591
INCA - Water and Sewerage	9.75%		2015	2 548 266		266 137	2 282 129
ABSA - Water Scheme	9.77%	E48	2015	2 382 468		249 490	2 132 978
ABSA - Capital Works 2005/2006	9.15%		2016	3 105 577		280 267	2 825 310
ABSA - Capital Works 2008/2009	prime - 2%		2018		2 110 000	105 500	2 004 500
Total Annuity Loans				**21 169 437**	**6 000 000**	**2 239 562**	**24 929 875**
GOVERNMENT LOANS							
Total Government Loans				**-**	**-**	**-**	**-**
LEASE LIABILITY							
Hire Purchases				37 375		37 375	-
Leases				9 812	-	9 812	-
Total Lease Liabilities				**47 187**	**-**	**47 187**	**-**
TOTAL EXTERNAL LOANS				**21 216 624**	**6 000 000**	**2 286 749**	**24 929 875**

APPENDIX B
MATZIKAMA MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Impairment/ Disposal	Closing Balance	Opening Balance	Additions	Impairment/ Disposal	Closing Balance	
Land and Buildings										
Land	2 901 788	-	-	-	2 901 788	13 285	12 825	-	26 110	2 875 678
Buildings	12 295 831	540 540	-	-	12 836 371	3 123 763	550 539	-	3 674 302	9 162 069
	15 197 619	540 540	-	-	15 738 159	3 137 048	563 364	-	3 700 412	12 037 747
Infrastructure										
Drains	1 013 303	(979 124)	11 791 453	-	11 825 632	-	2 349	-	2 349	11 823 283
Roads and Streets	28 438 271	19 752 408	169 360	-	48 360 039	12 447 149	2 508 909	-	14 956 058	33 403 981
Beach Improvements	-	-	-	-	-	-	-	-	-	-
Sewerage Mains and Purification	31 412 855	771 788	1 329 481	-	33 514 124	9 082 263	1 382 619	-	10 464 882	23 049 242
Electricity mains	14 456 495	(288 000)	7 663 050	-	21 831 545	4 562 499	631 683	-	5 194 182	16 637 363
Electricity Peak Load equipment	2 873 714	100 000	-	-	2 973 714	1 050 798	164 816	-	1 215 614	1 758 100
Water Mains & Purification	1 467 663	35 400	-	-	1 503 063	828 787	84 085	-	912 872	590 191
Water Reservoirs	9 810 120	-	-	-	9 810 120	2 119 714	490 505	-	2 610 219	7 199 901
Water Meters	730 420	-	-	-	730 420	192 360	38 950	-	231 310	499 110
Water Mains	34 642 292	36 608	-	-	34 678 900	14 094 802	1 588 990	-	15 683 792	18 995 108
Landfill Sites	57 973	-	-	-	57 973	30 396	2 360	-	32 756	25 217
	124 903 106	19 429 080	20 953 344	-	165 285 530	44 408 768	6 895 266	-	51 304 034	113 981 496
Community Assets										
Parks and Gardens	757 278	-	-	-	757 278	103 274	8 228	-	111 502	645 776
Libraries	360 361	-	-	-	360 361	115 196	10 812	-	126 008	234 353
Recreation Grounds	5 363 486	-	-	-	5 363 486	1 764 776	220 359	-	1 985 135	3 378 351
Civic Buildings	6 283 788	208 068	-	-	6 491 856	1 441 506	212 643	-	1 654 149	4 837 707
	12 764 913	208 068	-	-	12 972 981	3 424 752	452 042	-	3 876 794	9 096 187
Heritage Assets	-				-				-	-
Total carried forward	152 865 638	20 177 688	20 953 344	-	193 996 670	50 970 568	7 910 672	-	58 881 240	135 115 430

APPENDIX B
MATZIKAMA MUNICIPALITY
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Impairment/ Disposal	Closing Balance	Opening Balance	Additions	Impairment/ Disposal	Closing Balance	
Total brought forward	152 865 638	20 177 688	20 953 344	-	193 996 670	50 970 568	7 910 672	-	58 881 240	135 115 430
Lease Assets										
Office Equipment (Lease)	409 422	-	-	409 422	-	365 979	43 443	409 422	-	-
Other Assets										
Office Equipment	9 352 826	401 730	41 801	119 861	9 676 496	4 315 950	1 273 632	61 928	5 527 654	4 148 842
Furniture and Fittings	521 758	109 146	-	-	630 904	59 471	108 581	-	168 052	462 852
Bins and Containers	26 820	-	-	-	26 820	17 676	2 682	-	20 358	6 462
Emergency equipment	1 892 053	61 362	-	-	1 953 415	1 001 207	125 274	-	1 126 481	826 934
Motor Vehicles	5 501 507	1 739 319	-	-	7 240 826	2 752 083	776 921	-	3 529 004	3 711 822
Fire Engines	-	-	-	-	-	-	-	-	-	-
Refuse Tankers	1 327 266	-	-	-	1 327 266	305 803	76 109	-	381 912	945 354
Computer Equipment	3 626 578	416 549	-	-	4 043 127	2 744 363	342 190	-	3 086 553	956 574
Councillors Regalia	-	-	-	-	-	-		-	-	-
Conservancy Tankers	-	-	-	-	-	-	-	-	-	-
Water crafts	-	-	-	-	-	-	-	-	-	-
	22 248 808	2 728 106	41 801	119 861	24 898 854	11 196 553	2 705 389	61 928	13 840 014	11 058 840
Total	175 523 868	22 905 794	20 995 145	529 283	218 895 524	62 533 100	10 659 504	471 350	72 721 254	146 174 270

APPENDIX C
MATZIKAMA MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Impairment/ Disposal	Closing Balance	Opening Balance	Additions	Impairment/ Disposal	Closing Balance	
Executive & Council	196 271	510 749	-	-	707 020	78 474	34 956	-	113 430	593 590
Finance & Admin	13 309 579	7 677	-	529 283	12 787 973	4 635 811	894 176	471 350	5 058 637	7 729 336
Planning & Development	20 723	-	-	-	20 723	5 036	4 144	-	9 180	11 543
Health	959 855	-	-	-	959 855	278 044	31 995	-	310 039	649 816
Community & Social Services	6 735 095	146 118	-	-	6 881 213	1 668 980	264 126	-	1 933 106	4 948 107
Housing	862 964	35 780	-	-	898 744	39 416	8 017	-	47 433	851 311
Public Safety	3 002 702	314 830	-	-	3 317 532	1 479 472	157 911	-	1 637 383	1 680 149
Sport & Recreation	11 062 553	520 193	-	-	11 582 746	3 120 244	602 746	-	3 722 990	7 859 756
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Waste Management	5 374 646	6 945	-	-	5 381 591	1 646 160	591 650	-	2 237 810	3 143 781
Waste Water Management	33 808 789	58 697	13 096 726		46 964 212	10 717 133	1 539 817		12 256 950	34 707 262
Road Transport	32 072 543	20 926 569	169 360	-	53 168 472	14 051 826	3 105 811	-	17 157 637	36 010 835
Water	42 167 648	364 938	66 009	-	42 598 595	17 666 857	2 075 087	-	19 741 944	22 856 651
Electricity	25 858 941	(19 351)	7 663 050	-	33 502 640	7 104 555	1 329 631	-	8 434 186	25 068 454
Tourism	91 560	32 648	-	-	124 208	41 091	19 438	-	60 529	63 679
	175 523 869	22 905 793	20 995 145	529 283	218 895 524	62 533 099	10 659 505	471 350	72 721 254	146 174 270

APPENDIX D
MATZIKAMA MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
1 201 522	1 551 472	(349 950)	Executive & Council	1 592 613	(7 132 761)	(5 540 148)
29 074 588	14 934 527	14 140 061	Finance & Admin	70 335 034	(22 763 800)	47 571 235
280 326	2 471 446	(2 191 120)	Planning & Development	884 831	(2 351 974)	(1 467 143)
-	-	-	Health	-	-	-
1 288 993	5 282 222	(3 993 229)	Community & Social Services	1 116 847	(3 988 755)	(2 871 908)
15 283 743	16 777 169	(1 493 426)	Housing	21 579 788	(21 579 788)	-
877 662	3 448 734	(2 571 072)	Public Safety	2 624 046	(2 854 156)	(230 111)
1 677 868	4 875 668	(3 197 800)	Sport & Recreation	1 410 501	(4 642 451)	(3 231 950)
-	-	-	Environmental Protection	-	-	-
12 874 309	11 767 114	1 107 195	Waste Management	15 438 657	(14 491 921)	946 736
8 137 006	10 718 959	(2 581 953)	Road Transport	3 780 682	(7 304 371)	(3 523 688)
14 002 974	11 105 824	2 897 150	Water	8 910 766	(9 204 086)	(293 320)
30 058 482	26 104 568	3 953 914	Electricity	32 739 488	(27 545 350)	5 194 138
6 980	609 640	(602 660)	Other	13 359	(2 364 339)	(2 350 980)
114 764 453	109 647 343	5 117 110	Sub Total	160 426 611	(126 223 752)	34 202 860
-	-	-	Less Inter-Departmental Charges	-	-	-
114 764 453	109 647 343	5 117 110	**Total**	160 426 611	(126 223 752)	34 202 860

APPENDIX E(1)
MATZIKAMA MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
MUNICIPAL VOTES CLASSIFICATION

	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property rates	14 718 631	17 455 000	(2 736 369)	-15.68%	Rebates on Property Taxes
Government Grants and Subsidies	76 633 540	34 017 463	42 616 077	125.28%	Additional Grants and Subsidies received
Public Contributions and Donations	-	-	-	0.00%	
Contributed PPE	-	-	-	0.00%	
Fines	2 552 099	2 113 500	438 599	20.75%	Increase in fines collected
Third Party Payments	-	-	-	0.00%	
Actuarial gains	-	-	-	0.00%	
Other	4 413 879	-	4 413 879	0.00%	VAT on Conditional Grants
Property rates - Penalties & Collection Charges	-	-	-	0.00%	
Service Charges	50 980 701	52 714 800	(1 734 099)	-3.29%	
Water Services Authority Contribution	-	-	-	0.00%	
Rental of Facilities and Equipment	2 279 586	2 101 200	178 386	8.49%	
Interest Earned - External Investments	1 424 212	1 300 000	124 212	9.55%	
Interest Earned - Outstanding Receivables	1 674 003	2 050 000	(375 997)	-18.34%	Better recoverbility of receivables
Licences and Permits	5 261	12 000	(6 739)	-56.16%	
Agency Services	3 263 016	1 462 700	1 800 316	123.08%	Apointment of temporary employees
Other Income	2 213 682	1 716 100	497 582	28.99%	Reduce provision for debt impairment
Unamortised discount - Interest	-	-	-	0.00%	
Gains on Disposal of PPE	268 003	850 000	(581 997)	-68.47%	Property not sold as planned
Reversal of Impairment Loss	-	-	-	0.00%	
Changes in Fair Value	-	-	-	0.00%	
Inventory: Reversal of write-down to Net Realisable Value	-	-	-	0.00%	
Total Revenue	**160 426 611**	**115 792 763**	**44 633 848**	38.55%	
EXPENDITURE					
Executive & Council	(7 132 761)	(8 255 793)	1 123 032	-13.60%	
Finance & Admin	(22 763 800)	(17 909 353)	(4 854 447)	27.11%	
Planning & Development	(2 351 974)	(3 031 306)	679 332	-22.41%	
Health	-	-	-	0.00%	
Community & Social Services	(3 988 755)	(4 596 251)	607 496	-13.22%	
Housing	(21 579 788)	(17 477 603)	(4 102 185)	23.47%	
Public Safety	(2 854 156)	(3 929 480)	1 075 324	-27.37%	
Sport & Recreation	(4 642 451)	(4 830 867)	188 416	-3.90%	
Environmental Protection	-	-	-	0.00%	
Waste Management	(14 491 921)	(11 827 864)	(2 664 057)	22.52%	
Road Transport	(7 304 371)	(9 531 933)	2 227 562	-23.37%	
Water	(9 204 086)	(9 333 239)	129 153	-1.38%	
Electricity	(27 545 350)	(28 828 701)	1 283 351	-4.45%	
Other	(2 364 339)	(2 006 897)	(357 442)	17.81%	
Less: Interdepartmental Charges	-	-	-	0.00%	
Total Expenditure	**(126 223 752)**	**(121 559 287)**	**(4 664 465)**	3.84%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	**34 202 860**	**(5 766 524)**	**39 969 384**	-693.13%	

APPENDIX E (2)
MATZIKAMA MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009
ACGUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
MUNICIPAL VOTES CLASSIFICATION

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	510 749	-	510 749	3 041 068	(2 530 319)	-83.20%	NDPG Project not started
Finance & Admin	7 677	-	7 677	3 455 935	(3 448 258)	-99.78%	Property development not started due to economic climate
Planning & Development	-	-	-	81 000	(81 000)	-100.00%	EIA investigation not completed
Health	-	-	-	-	-	0.00%	
Community & Social Services	146 118	-	146 118	450 000	(303 882)	-67.53%	Additional offices build
Housing	35 780	-	35 780	19 500	16 280	83.49%	
Public Safety	314 830	-	314 830	316 500	(1 670)	-0.53%	
Sport & Recreation	520 193	-	520 193	1 413 206	(893 013)	-63.19%	Lotto and roll-over of project
Environmental Protection	-	-	-	-	-	0.00%	
Waste Management	6 945	-	6 945	-	6 945	0.00%	
Waste Water Management	58 697	13 096 726	13 155 423	10 778 000	2 377 423	22.06%	MIG Funds for 2009/2010 used
Road Transport	20 926 569	169 360	21 095 929	5 926 375	15 169 554	255.97%	Roads build by Dept of Transport
Water	364 938	66 009	430 947	1 220 000	(789 053)	-64.68%	Raw water Lutzville-Wes not started
Electricity	(19 351)	7 663 050	7 643 699	10 264 000	(2 620 301)	-25.53%	Roll-over of project
Tourism	91 560	-	91 560	30 000	61 560	205.20%	
Total	22 964 705	20 995 145	43 959 850	36 995 584	6 964 266	18.82%	

APPENDIX F
MATZIKAMA MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2008	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2009	Unspent 30 June 2009 (Creditor)	Unpaid 30 June 2009 (Debtor)
MIG	(197 648)	6 300 000	-	-	(773 684)	(5 328 668)	-	-	-
Koekenaap Housing	-	287 192	-	-	(287 192)		-	-	-
DOW: Vanrhynsdorp	-	-	-	-	-	(3 173 720)	(3 173 720)	-	(3 173 720)
Drought Relief	2 053 467	-	-	-	(252 180)	(1 801 287)	-	-	-
Ebenhaezer Fencing	23 403	-	-	-	(23 403)	-	-	-	-
MSIG	538 568	735 000	-	-	(990 052)	(425 000)	(141 484)	-	(141 484)
Sport Doringbaai	315 206	-	-	-	(38 710)	(1 860)	274 636	274 636	-
Town Planning	328 802	-	-	-	(328 802)	-	-	-	-
Lotto	(677 046)	-	-	-	-	-	(677 046)	-	(677 046)
Financial Management Grant	445 435	500 000	-	-	(511 053)	(86 392)	347 990	347 990	-
Food Security Program	144 650	-	-	-	(23 306)	-	121 344	121 344	-
Emerging Farmers	148 593	-	-	-	(148 593)	-	-	-	-
Taxi Terminus	291 275	-	-	-	(35 771)	(177 653)	77 851	77 851	-
National Electrification	(1 786 483)	5 500 000	-	-	(675 439)	(3 038 078)	-	-	-
Equitable Share	-	18 034 375			(18 034 375)				
Masabane Centre	71 607	183 000	-	-	(101 277)	-	153 330	153 330	-
Namakwa Sands	(333 653)	2 528 789	-	-	-	(2 219 343)	(24 207)	-	(24 207)
Flood Damages	749 126	5 619 252	-	-	(785 907)	(3 699 440)	1 883 031	1 883 031	-
Housing "opvoeding"	20 000	40 000	-	-	(7 368)	-	52 632	52 632	-
Maintenance of Proclaimed Roads	-	56 000	-	-	(56 000)	-	-	-	-
Hoodia Project	165 000	10 237	-	-	-	-	175 237	175 237	-
Library	-	346 000			(346 000)		-	-	-
Sport and Recreation Facilities	-	300 000			(30 702)		269 298	269 298	-
Soup Kitchens SOF	15 013	-	-	-	(15 013)	-	-	-	-
DWAF - Masabane Projects	12 369	90 000	-	-	(23 422)	-	78 947	78 947	-
West Coast Community Trust	408 000	-	-	-	-	-	408 000	408 000	-
Housing	-	20 635 020	-	-	(20 635 020)	-	-	-	-
Ebenhaezer Toegangspad	-	9 000 000	-	-	(9 000 000)	-	-	-	-
Vredendal-Noord Busroete	-	6 000 000	-	-	(6 000 000)	-	-	-	-
CDW Support	-	192 000	-	-	(192 000)	-	-	-	-
Total	2 735 684	76 356 866	-	-	(59 315 268)	(19 951 443)	(174 160)	3 842 297	(4 016 457)